
OLR Bill Analysis

sSB 75 (File 314 as amended by Senate "A")*

AN ACT INCREASING THE CAP ON THE NEIGHBORHOOD ASSISTANCE ACT TAX CREDIT PROGRAM AND EXTENDING THE PROGRAM TO PASS-THROUGH ENTITIES.

SUMMARY:

This bill raises, from \$5 million to \$10 million, the annual cap on Neighborhood Assistance Act (NAA) tax credits, which are available to businesses that contribute to or invest in municipally approved community projects and programs. The Department of Revenue Services, which administers the credits, must continue to award, as the law requires, \$3 million in NAA credits to businesses contributing funds specifically for energy conservation projects, job training programs, and programs benefiting low-income people.

*Senate Amendment "A" eliminates provisions authorizing an income tax credit for making NAA contributions.

EFFECTIVE DATE: July 1, 2014

BACKGROUND

NAA

By law, the NAA program provides business tax credits to businesses that contribute or invest at least \$250 in certain municipally approved community activities and programs. The credits are generally 60% of the contribution or investment, although certain energy conservation-related investments are eligible for a 100% credit. But a business can annually claim no more than (1) \$50,000 per year for investing in childcare facilities and (2) \$150,000 for other NAA-eligible contributions or investments.

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute

Yea 17 Nay 0 (03/20/2014)

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 50 Nay 0 (04/11/2014)